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5 UNITED STATES DISTRICT COURT
6 WESTERN DISTRICT OF WASHINGTON
7 AT TACOMA

8 UNITED STATES OF AMERICA,)

9 Plaintiff,)

10 v.)

11 TIMOTHY L. PALMER, DEANNA M.)
PALMER, THE LAND BOUNTIFUL ONE,

12)
PIERCE COUNTY ,

13)

14 Defendants.)
15 _____)

Civil No. C-08-5249-FDB

**ORDER DENYING DEFENDANTS’
PETITION FOR STAY PENDING
ADMINISTRATIVE PROCESS,
DENYING ORDER TO SHOW
CAUSE, AND DENYING PETITION
FOR STAY PENDING
CORRECTION OF RECORD**

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17 This matter comes before the Court on Defendant Palmer’s (1) Petition for Stay Pending Outcome
18 of the Private Administrative Process, (2) An Order for Showing Cause why the record should not be
19 corrected, and (3) Petition for Stay pending the correction of the record. The Court, having reviewed the
20 Defendants’ pleadings and the response thereto, is fully informed and denies Defendants’ requests for
21 relief for the reasons that follow.

22 **Introduction and Background**

23 The United States initiated this action to reduce to judgment federal tax assessments against
24 Timothy and Deanna Palmer and to foreclose on a parcel of real property. Neither the Palmers nor the
25 other named Defendant, “The Land Bountiful” (an alleged sham entity of the Palmers that holds title to
26 the real property at issue) have answered the factual allegations contained in the complaint. Instead, the
27 Palmers have filed two petitions for stay: a Petition for Stay Pending Outcome of the Private

1 Administrative Process and Petition for Stay pending the correction of the record; and a request for an
2 Order for Showing Cause why the record should not be corrected. Taken together, these pleadings assert
3 an argument that the Palmers are entitled to \$4 million from the United States Treasury and that the Court
4 should allow correction of the record to reflect this “reality” and enter a stay so that the defendants may
5 satisfy their tax debts with a promissory note drawn on these funds held by the U.S. Treasury.

6 **There Exists No Basis for Stay or Order to Show Cause**

7 It is within the Court's discretion to grant a stay of proceedings in its own court. Lockyer v.
8 Mirant Corp., 398 F.3d 1098, 1109 (9th Cir. 2005). The Ninth Circuit has held that in determining
9 whether a stay of a pending proceeding is appropriate the district court must weigh “the competing
10 interests which will be affected by the granting or refusal to grant a stay.” Id. at 1110. The competing
11 interests to be considered are: (1) the possible damage that may result from the granting of a stay; (2) the
12 hardship that the party seeking the stay may suffer by being required to go forward; and (3) the orderly
13 course of justice measured by considering whether issues will be simplified or complicated, proof, and
14 questions of law which could be expected to result from a stay. Id.

15 Defendants’ requests are premised on a tax protester theory commonly known as “redemption”
16 and has also been referred to as “acceptance for value” and “charge back.” See, e.g., United States v.
17 Saldana, 427 F.3d 298, 302 (5th Cir. 2005); Bryant v. Washington Mut. Bank, 524 F.Supp.2d 753
18 (W.D. Va. 2007). According to this argument, the United States government went bankrupt in 1933
19 when it suspended the gold standard, and no longer had collateral with which to back its debts. Thus, the
20 theory claims, the United States pledges its current and future citizens as collateral and has accounts
21 linked to the birth certificate number of each citizen. Saldana, at 302. The theory states that each citizen
22 has a “straw man” that controls the account linked to the birth certificate. Litigants espousing redemption
23 theory claim that this account is a valuable asset worth millions and that they can gain control over their
24 straw man and this account by making particular UCC filings. Bryant, at 759-60. Once they have made
25 these UCC filings, litigants relying on this theory claim that they can execute a promissory note, bill of
26 exchange, or “sight draft” drawn on their birth certificate account at the United States Treasury and use
27 the note as cash. Id., at 759.

1 Relying on this argument, the Palmers claim that they are entitled to \$4 million set aside in an
2 account at the United States Treasury attached to Mr. Palmer's birth certificate and that they
3 wish to use the money in this supposed account to pay off their tax debts. Thus, they request a stay so that
4 they can "correct" the record to state that they are "creditors," rather than "debtors," of the United States
5 Treasury, and request a stay so that the purported negotiable instrument can be deposited with the Court
6 supposedly resolving the case.

7 The thought that the government is holding this vast wealth for our individual needs is certainly
8 appealing. However, the contention is nonsensical and has been soundly rejected. See Bryant v. Wash.
9 Mut. Bank, 524 F. Supp. 2d 753 (W.D. Va. 2007); United States v. Saldana, 427 F.3d 298 (5th Cir. 2005);
10 United States v. Waalee, 133 Fed. Appx. 819 (3rd Cir. 2005); United States v. Allison, 264 Fed. Appx. 450
11 (5th Cir. 2008); United States v. Clapier, 40 Fed. Appx. 455, 457 (9th Cir. 2002).

12 Accordingly, the Palmers have not alleged any hardship or inequity that would overcome the harm
13 to the United States that would result from granting the Palmers' petitions for stay, nor have they
14 advanced any other reason to justify a stay or justifying the issuance of an order to show cause.

15 Conclusion

16 For the above stated reasons Defendants are not entitled to relief.

17 ACCORDINGLY;

18 IT IS ORDERED:


- 19 (1) Defendants' Petition to Stay pending outcome of the private administrative process, and
20 Order for Showing Cause, why the record should not be corrected [Dkt. # 27] are

21 **DENIED;**

- 22 (2) Defendants' Petition for Stay Pending the Correction of the Record [Dkt. #28] is

23 **DENIED.**

24 DATED this 24th day of October, 2008.

25 
26 FRANKLIN D. BURGESS
27 UNITED STATES DISTRICT JUDGE